

February 11, 1999

HOUSE BILL No. 1765

DIGEST OF HB1765 (Updated February 9, 1999 4:03 pm - DI 58)

Citations Affected: IC 6-2.5.

Synopsis: Sales tax refunds. Allows a deduction from sales taxes due for receivables of an entity that is a member of the same brother-sister controlled group as the retail merchant.

Effective: January 1, 1999 (retroactive).

Harris, Buell

January 26, 1999, read first time and referred to Committee on Ways and Means.
February 10, 1999, reported — Do Pass.

HB 1765—LS 7127/DI 58+



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PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~— — —~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional adopted), the text of the new provision will appear in **is style type** Also, the will appear in that style type in the introductory clause of each SECTION that adds

Conflict reconciliation: Text in a statute in *this style type* ~~this style type~~ between statutes enacted by the 1998 General Assembly.

A
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1
2 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:
3 Sec.
4 — **retail merchant**
5 — retail merchant shall deduct, from — **merchant's**
6 from retail transactions made during a particular reporting
7 period, an amount equal to ~~his~~ **of the retail merchant or**
8 **a related entity**
9 resulted from retail transactions in which the retail merchant
10 did
11 resulted from retail transactions on which the retail merchant
12 has
13
14 were written off as an uncollectible debt for federal tax
15 purposes **by**
16
17 If a retail merchant deducts a receivable under subsection (a)

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1 and **the retail merchant or a related entity** subsequently collects that
2 receivable, then the retail merchant shall include the amount collected
3 as part of ~~his~~ **retail merchant's** gross retail income from retail
4 transactions for the particular reporting period in which ~~he~~ **the retail**
5 **merchant or a related entity** makes the collection.

6 (c) For purposes of this section, a corporation is a related entity
7 to a retail merchant only if the corporation and the retail merchant
8 are members of the same brother-sister controlled group of
9 corporations within the meaning of Section 1563(a)(2) of the
10 Internal Revenue Code except, for purposes of determining
11 whether a person is a related entity under this section, more than
12 fifty percent (50%) shall be substituted for at least eighty percent
13 (80%) wherever at least eighty percent (80%) appears in Section
14 1563(a)(2) of the Internal Revenue Code.

15 SECTION 2. An emergency is declared for this act.

